Henderson
GROUP plc

2011 Interim Results

17 August 2011

Financial highlights

Amounts in £m unless otherwise stated	6 months to 30 June 2011 Unaudited	6 months to 30 June 2010 Unaudited	12 months to 31 December 2010 Audited
Underlying profit before tax	**86.4**	48.5	100.7
Gartmore related employee share awards[1], intangible amortisation and void property finance charge	**(37.8)**	(6.9)	(13.7)
Recurring profit before tax	**48.6**	41.6	87.0
Non-recurring items	**(51.7)**	-	(10.5)
(Loss)/profit before tax	**(3.1)**	41.6	76.5
Tax on recurring profit	**(7.5)**	(8.6)	(16.1)
Tax on non-recurring items	**11.5**	-	0.6
Non-recurring tax	**12.9**	-	16.4
Total tax	**16.9**	(8.6)	0.9
Profit after tax	**13.8**	33.0	77.4
Operating margin	**36.1%**	29.1%	30.0%
Assets under management (AUM) at period end	**£74.4bn**	£56.4bn	£61.6bn
Earnings per share (EPS)[2]			
Basic[3]	**7.6p**	4.7p	10.2p
Diluted[4]	**7.1p**	4.5p	9.5p
Ordinary dividend per share	**1.95p**	1.85p	6.5p

1 Gartmore related employee share awards represent the post-acquisition share-based payment charge for awards to Gartmore employees originally made in 2010 and exchanged into Henderson Group plc shares upon Completion on the same terms as the original awards.
2 Based on underlying profit after tax attributable to equity holders of the parent.
3 Based on weighted average number of shares in issue less weighted average number of own shares held during the period.
4 Based on weighted average number of shares in issue less weighted average number of own shares held during the period and reflects the dilutive impact of share options and unconditional awards of shares to employees.

Commenting on the 2011 interim results Chief Executive, Andrew Formica said:

"The first six months of this year have been busy for both the Group and for markets. I am pleased that throughout this period we have produced a solid set of results with revenues increasing by 40%, underlying profit by 80% and EPS by 60%. Whilst the acquisition of Gartmore dominated our efforts in the first half, the Henderson business continued to perform well. The integration of Gartmore is exceeding our expectations. Looking at the recent turmoil in markets we are managing the business on the assumption that conditions remain challenging in the short- to medium-term. However, given our hard work over the past few years which has strengthened our business and client offerings, we are better equipped to weather this volatility. We will invest selectively in our business to ensure that we deliver the best product and best service to our clients whilst we continue to manage our cost base actively."

Henderson Group plc
47 Esplanade
St Helier
Jersey JE1 0BD
Registered in Jersey
Company No. 101484
ABN 67 133 992 766

Key highlights

- Underlying profit before tax has increased by 78% to £86.4m in 1H11 (1H10: £48.5m).
- AUM at 30 June 2011 was £74.4bn (31 December 2010: £61.6bn).
- Interim dividend increased by 5% to 1.95 pence per share (1H10: 1.85 pence per share).
- £575m net inflows into Henderson retail in 1H11.
- Good progress in Henderson and Gartmore absolute return fund flows in 1H11.
- Good investment performance over one (66%) and three years (67%).
- Basic EPS on underlying profit increased by 62% to 7.6p in 1H11.
- Completion of the Gartmore acquisition on 4 April 2011, integration of Gartmore is well advanced.

Market briefing
Management will present these results on 17 August 2011 at 6.00pm (Sydney time)/9.00am (London time).

Teleconference details
We recommend participants start dialling in 5-10 minutes prior to the start of the presentation. To telephone link-up to the briefing, dial one of the following numbers from 5.50pm (Sydney time)/8.50am (London time):

From:	
United Kingdom	0500 5510 87 (free call)
Australia	1800 9889 41 (free call)
All other countries	+44 (0) 20 7162 0025 (This is not a free call number)
Conference title	Henderson Group, Interim Results Briefing
Chairperson	Andrew Formica
Reference	899395
Replay number from:	
United Kingdom	+44 (0) 20 7031 4064 Access code: 899395
Australia	+61 (0) 2 8223 9748 Access code: 899395
	(available from 17 August to 23 August 2011).

Webcast details

You can logon to a webcast of the results briefing which will start at 6.00pm (Sydney time)/9.00am (London time). Go to www.henderson.com/group and click on the relevant link on the homepage. An archive of the webcast will be available shortly after the event.

Further information
www.henderson.com
or

Investor enquiries
Mav Wynn, Head of Investor Relations
+44 (0) 20 7818 5135 or +44 (0) 20 7818 5310
mav.wynn@henderson.com or investor.relations@henderson.com

Media enquiries
Richard Acworth, Head of Corporate Communications
+44 (0) 20 7818 3010
richard.acworth@henderson.com

Australia: Cannings	**United Kingdom: Maitland**
Luis Garcia	George Trefgarne/Rebecca Mitchell
+61 (0) 2 8284 9911	+44 (0) 20 7379 5151

Interim Report and Accounts for the Six Months Ended 30 June 2011

Incorporating the requirements of ASX Appendix 4D
The information contained in this document should be read in conjunction with the Henderson Group plc Annual Report and Accounts for the year ended 31 December 2010 and any public announcements made by Henderson Group plc and its controlled entities (the Group) during the period in accordance with the continuous disclosure obligations arising under the Australian Corporations Act 2001 and the Australian Securities Exchange (ASX) Listing Rules. This report includes the interim information required to be provided to the ASX under Listing Rule 4.2A.

CONTENTS

Results for Announcement to the Market

The interim results of Henderson Group plc for announcement to the market are as follows:

	6 months to 30 June 2011 Unaudited £m	6 months to 30 June 2010 Unaudited £m	Movement %
Revenue from recurring activities	**355.1**	236.2	50.3
Underlying profit after tax attributable to equity holders of the parent[1]	**68.3**	37.3	83.1
Profit after tax attributable to equity holders of the parent[1]	**13.8**	32.3	(57.3)

1 Excluding non-controlling interest of £nil (1H10: £0.7m).

Dividends

On 16 August 2011, the Board of Directors (the Board) declared an interim dividend in respect of the six months ended 30 June 2011 of 1.95 pence per share (1H10: 1.85 pence per share). Henderson Group plc does not offer a dividend reinvestment plan.

A final dividend of 4.65 pence per share was paid on 27 May 2011 in respect of the year ended 31 December 2010.

	Amount per security pence	Franked amount per security pence
2011 interim dividend per share	1.95	-
Record date	2 September 2011	
Payment date	23 September 2011	

Net tangible assets per ordinary share

	30 June 2011 pence	30 June 2010 pence
Net tangible assets per ordinary share	(10)	(8)

"Net tangible assets" are defined by the ASX as being total assets less intangible assets less total liabilities ranking ahead of, or equally with, claims of ordinary shares.

The Interim Condensed Consolidated Financial Statements included within the Interim Report and Accounts have been subject to an independent review by Ernst & Young LLP.

Directors' Report

The directors of Henderson Group plc (the Directors) present their report for the six months ended 30 June 2011. The Board approved the financial results for the six months ended 30 June 2011 on 16 August 2011.

Directors
The Directors who served during the six months ended 30 June 2011 and up to the date of this report are shown below:

Rupert Pennant-Rea (Chairman)
Andrew Formica (Chief Executive)
Shirley Garrood (Chief Financial Officer)
James Darkins (appointed 4 May 2011)
David Jacob (appointed 4 May 2011)
Gerald Aherne
Duncan Ferguson
Tim How
Robert Jeens

As previously announced, the appointment of Kevin Dolan is subject to obtaining approval from the UK Financial Services Authority under its approved persons regime. All Directors are expected to stand for reappointment at the 2012 Annual General Meeting.

Business review and results
The Group's results for the six months ended 30 June 2011 are shown in the Interim Condensed Consolidated Income Statement on page 16. A review of the six months ended 30 June 2011 and future developments is covered in the Business Review on pages 7 to 14.

Rounding
In accordance with the Australian Securities and Investments Commission Class Order 98/0100, amounts in the Interim Report and Accounts have been rounded to the nearest £0.1m sterling, unless stated otherwise.

Directors' declaration
In the opinion of the Directors:

- the Interim Condensed Consolidated Financial Statements set out on pages 16 to 34:
  - give a true and fair view (as set out in section 305 of the Australian Corporations Act 2001) of the Group's consolidated financial position as at 30 June 2011 and of its performance for the six months ended on that date; and
  - have been prepared in accordance with the Disclosure and Transparency Rules of the FSA which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed; and
- there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due.

Signed in accordance with a resolution of the Board:

Andrew Formica
Chief Executive

16 August 2011

Shirley Garrood
Chief Financial Officer

16 August 2011

Statement of Directors' Responsibilities

The Directors confirm that to the best of their knowledge, in relation to the Interim Condensed Consolidated Financial Statements, that:

- the Interim Condensed Consolidated Financial Statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting as adopted by the European Union;

- the Interim Report and Accounts include a fair review of the information required by Disclosure and Transparency Rule 4.2.7R, being an indication of important events that have occurred during the first six months of the current financial year, and their impact on the Interim Condensed Consolidated Financial Statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

- the Interim Report and Accounts include a fair review of the information required by Disclosure and Transparency Rule 4.2.8R, being disclosure of related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or the performance of the Group during that period and of any changes in the related party transactions described in the last annual report that could have a material effect on the financial position or performance of the Group in the first six months of the current financial year.

Signed in accordance with a resolution of the Board:

Andrew Formica
Chief Executive

16 August 2011

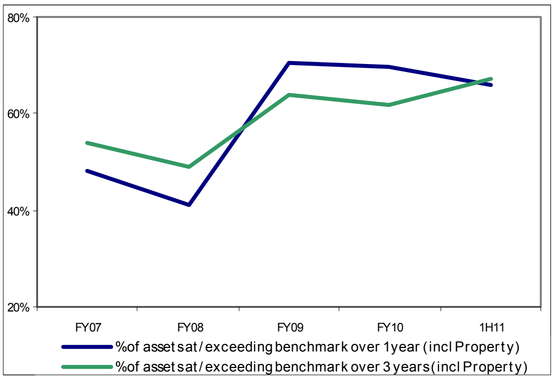
Shirley Garrood
Chief Financial Officer

16 August 2011

Business Review

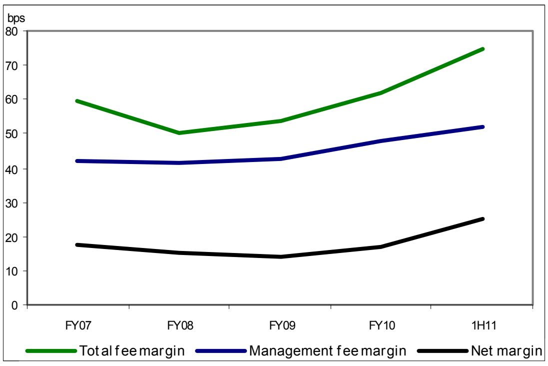
The Board and Executive Committee use a number of key indicators to monitor the performance of the Group. The trend of these key performance indicators is set out below:

Investment performance



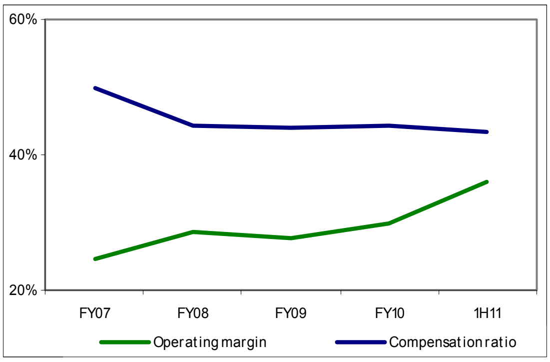
Fixed income and equity funds continued to perform well with 82% and 75% of assets, respectively, achieving or beating their benchmarks over three years.

Fee margin



Total fee margin improved in 1H11 due to higher transaction and performance fees and three months revenue from Gartmore. The improving management fee margin illustrates the shift from institutional to retail business along with the acquisition of Gartmore. Net margins have improved as underlying profits benefit from increases in both fee and operating margins.

Operating margin and compensation ratio



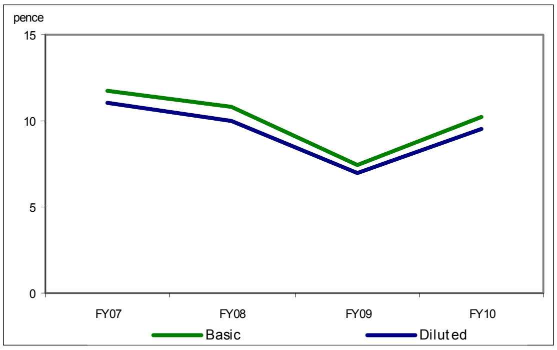
Operating margin improved in 1H11 to 36.1% from 30.0% in FY10 due to the impact of the Gartmore acquisition and associated synergies, an increase in market levels, higher performance fees earned and the Group's continued cost control. The compensation ratio decreased to 43.5% in 1H11 from 44.4% in FY10, as the Group realised synergies from the Gartmore acquisition. However, the impact was reduced by an increase in performance fee bonuses as higher gross performance fees were earned in the period.

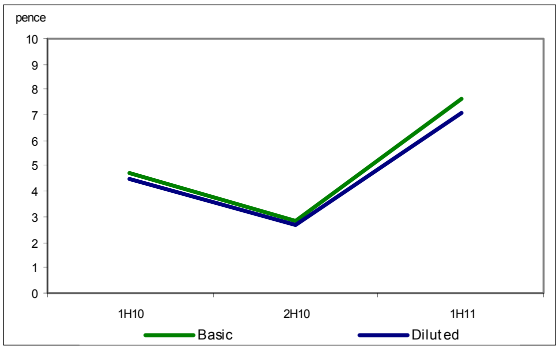
Fund flows excluding Phoenix

The categorisation of fund flows changed with effect from 1 January 2011 and therefore no prior period comparatives are available.

Net inflows into Henderson retail funds of £0.6bn in 1H11, were partly offset by £0.3bn of net outflows from Gartmore retail funds. The Henderson institutional net outflows of £2.6bn in 1H11 were mainly from long-standing lower margin mandates where clients have, despite strong performance, rebalanced their portfolios.

Earnings per share on underlying profit





EPS on underlying profit increased in 1H11, due to the 83% increase in underlying profit after tax versus 1H10 offset by the issue of shares to fund the Gartmore acquisition.

Treating customers fairly

The quality of our customers' experience of investing with Henderson is our highest priority. We continue to devote significant resources and time to understanding our customers' needs and enhancing the products and services we offer to ensure we treat our customers fairly. In line with the FSA's current thinking on product suitability, we remain firmly focused on all aspects of governance throughout the life cycle of all our products.

Consolidated financial results

	1H11 Unaudited £m	1H10 Unaudited £m	FY10 Audited £m	FY09 Audited £m	FY08 Audited £m	FY07 Audited £m
Income						
Management fees (net of commissions)	**176.0**	137.4	282.5	226.8	221.9	258.0
Transaction fees	**24.2**	16.6	36.8	24.9	16.5	17.8
Performance fees	**54.3**	24.6	42.8	31.6	32.0	86.9
Total fee income	**254.5**	178.6	362.1	283.3	270.4	362.7
Finance income	**1.6**	0.9	0.8	4.3	15.3	25.7
Total income	**256.1**	179.5	362.9	287.6	285.7	388.4
Operating costs	**(162.5)**	(126.6)	(253.5)	(205.0)	(193.0)	(273.7)
Finance costs	**(7.2)**	(4.4)	(8.7)	(8.9)	(12.3)	(8.0)
Total expenses	**(169.7)**	(131.0)	(262.2)	(213.9)	(205.3)	(281.7)
Underlying profit before tax	**86.4**	48.5	100.7	73.7	80.4	106.7
Gartmore related employee share awards[1]	**(21.1)**	-	-	-	-	-
Intangible amortisation	**(15.8)**	(5.8)	(11.6)	(8.7)	(0.1)	-
Void property finance charge	**(0.9)**	(1.1)	(2.1)	(2.0)	-	-
Recurring profit before tax	**48.6**	41.6	87.0	63.0	80.3	106.7
Non-recurring items	**(51.7)**	-	(10.5)	(47.5)	(97.3)	40.5
(Loss)/profit before tax	**(3.1)**	41.6	76.5	15.5	(17.0)	147.2
Tax on recurring profit	**(7.5)**	(8.6)	(16.1)	(13.3)	(8.6)	(12.4)
Tax on non-recurring items	**11.5**	-	0.6	-	4.8	(2.6)
Non-recurring tax	**12.9**	-	16.4	12.3	-	-
Total tax	**16.9**	(8.6)	0.9	(1.0)	(3.8)	(15.0)
Profit/(loss) after tax	**13.8**	33.0	77.4	14.5	(20.8)	132.2
Financial ratios and metrics[2]						
Operating margin	**36.1%**	29.1%	30.0%	27.6%	28.6%	24.5%
Compensation ratio[3]	**43.5%**	44.5%	44.4%	43.9%	44.3%	49.8%
Average number of full-time employees	**1,021**	928	938	933	920	921
Assets under management (AUM) at period end (£bn)	**74.4**	56.4	61.6	58.1	49.5	59.2
Average AUM for the period (£bn)	**68.0**	58.2	58.7	53.0	53.7	61.1
Total fee margin (bps)	**74.9**	61.4	61.7	53.5	50.4	59.4
Management fee margin (bps)	**51.8**	47.2	48.2	42.8	41.3	42.2
Net margin[4] (bps)	**25.4**	16.7	17.2	13.9	15.0	17.5
Basic and diluted earnings per share (EPS)						
Weighted average number of ordinary shares for basic EPS[5] (m)	**893.1**	788.1	788.4	759.3	660.6	804.6
Weighted average number of ordinary shares for diluted EPS[6] (m)	**964.2**	827.0	849.2	809.4	715.0	847.5
Basic on underlying profit after tax[7] (pence)	**7.6**	4.7	10.2	7.5	10.8	11.7
Basic (pence)	**1.5**	4.1	9.9	1.8	(3.2)	16.4
Diluted on underlying profit after tax[7] (pence)	**7.1**	4.5	9.5	7.0	10.0	11.1
Diluted (pence)	**1.4**	3.9	9.2	1.7	(3.2)	15.6
Ordinary dividend per share (pence)	**1.95**	1.85	6.5	6.1	6.1	6.1
Investment performance[8]						
Funds at or exceeding benchmark over 1 year	**66%**	62%	70%	70%	41%	48%
Funds at or exceeding benchmark over 3 years	**67%**	63%	62%	64%	49%	54%

1 Gartmore related employee share awards represent the post-acquisition share-based payment charge for awards to Gartmore employees originally made in 2010 and exchanged into Henderson Group plc shares upon Completion on the same terms as the original awards.
2 Where appropriate ratios and metrics have been annualised.
3 Employee compensation and benefits divided by total income.
4 Based on underlying profit before tax.
5 Based on weighted average number of shares in issue less weighted average number of own shares held during the period.
6 Based on weighted average number of shares in issue less weighted average number of own shares held during the period and reflects the dilutive impact of share options and unconditional awards of shares to employees.
7 Attributable to equity holders of the parent.
8 Asset weighted of funds measured over one and three years to 30 June or 31 December, as appropriate (except Property funds in 1H11 where FY10 data is used and in 1H10 where FY09 data used).

The acquisition of Gartmore Group Limited and its controlled entities (Gartmore)
The acquisition of Gartmore completed on 4 April 2011 at a cost of acquisition of £365.4m, adjusted for Gartmore related employee share awards. Gartmore's AUM at Completion was £15.7bn (£15.3bn net of notified redemptions). This acquisition has enhanced the Group's scale and distribution capability in the UK retail funds market, providing a significant platform for future organic growth. The retention of Gartmore's assets remains ahead of expectations; at mid-year some 91% of the 31 December 2010 AUM had been retained.

In line with guidance, we remain confident that the operating margin of the acquired Gartmore business will exceed 50%. The acquisition remains on track to deliver significant enhancement in underlying earnings per share in 2011. Integration of the Gartmore business is well advanced and has progressed smoothly.

Interim result
Underlying profit before tax in 1H11 was £86.4m, an increase of 78% on 1H10 (£48.5m). Recurring profit before tax was £48.6m compared to £41.6m in 1H10. Non-recurring items totalled £51.7m in 1H11 (1H10: £nil).

Revenue and fee margins
Total fee income increased to £254.5m. This increase was primarily due to higher:
- management fees - three months revenue on Gartmore assets and the impact of higher market levels;
- transaction fees - fees earned on UK retail funds, including the impact of Gartmore; and
- performance fees - fees earned on institutional, offshore absolute return and Henderson SICAV funds.

Total fee margin increased to 74.9bps in 1H11, primarily due to higher transaction and performance fees and improving management fee margins following the Gartmore acquisition. Net margins increased by 52% in 1H11, as underlying profits benefited from increases in both fee and operating margins.

Operating costs
The main components of operating costs are shown in the table below:

	6 months to 30 June 2011 Unaudited £m	6 months to 30 June 2010 Unaudited £m	12 months to 31 December 2010 Audited £m
Employee compensation and benefits	**(111.5)**	(79.9)	(161.1)
Investment administration	**(14.1)**	(11.6)	(23.3)
Information technology	**(6.3)**	(6.1)	(12.7)
Office expenses	**(8.9)**	(8.3)	(16.2)
Depreciation	**(1.5)**	(1.7)	(3.2)
Other expenses	**(20.2)**	(19.0)	(37.0)
Operating costs	**(162.5)**	(126.6)	(253.5)
Operating margin	**36.1%**	29.1%	30.0%
Compensation ratio	**43.5%**	44.5%	44.4%

The increase in employee compensation and benefits was due to higher performance fees bonuses earned, the impact of the Gartmore acquisition, improved Group profitability and, to a lesser extent, higher fixed staff costs, reflecting salary pressure and additional headcount post the Gartmore acquisition. The compensation ratio reduced from 44.5% in 1H10 to 43.5% in 1H11, as the synergies gained through the Gartmore acquisition are partially offset by the performance fee bonuses paid on higher gross performance fees.

Investment administration costs increased, principally due to the acquisition of Gartmore funds. Office expenses increased largely due to higher building insurance costs and the impact of inflation. The three largest components of other expenses are marketing, legal and travel costs. The Group has continued to invest in targeted strategic business development, in particular, relating to the UK retail business, through marketing, travel, events and promotions.

Finance costs
Finance costs increased due to the Group issuing new senior notes in March 2011, repayable in 2016 (2016 Notes).

Non-recurring items
Non-recurring costs in 1H11 related to the integration of Gartmore. These integration costs include staff related expenses, legal and professional fees, transition of outsourced retail and investment operations and costs relating to fund mergers and office relocation and reorganisation. As stated at the time of the acquisition announcement, the Group expects total integration costs of approximately £70m before tax in FY11.

Tax
The tax charge on recurring profit for the period was £7.5m, giving an effective tax rate of 15.4% (1H10: £8.6m, 20.7%). The effective tax rate on recurring profit is less than the current pro-rata UK corporation tax statutory rate of 26.5%, as a result of the net favourable effect of different statutory tax rates applying to profits generated by non-UK subsidiaries and that the Gartmore related share scheme awards and the amortisation of investment management contracts attract an accounting tax credit at the full UK tax rate.

Assets under management

Total AUM increased £12.8bn (21%) from 31 December 2010. The acquisition of Gartmore added £15.7bn at Completion, whilst the transfer of the Henderson Liquid Assets Fund (HLAF) to DB Advisors in February 2011 reduced AUM by £1.5bn. During 1H11, favourable market and foreign exchange rate movements of £1.4bn and £575m net inflows into Henderson retail, were offset by net outflows from Gartmore retail of £290m, Gartmore institutional of £148m, Henderson institutional of £2.6bn and Phoenix of £407m.

Summary of movements in AUM

£m	Opening AUM 01 Jan 11	Gartmore take-on AUM[1]	Henderson net flows 1H11	Gartmore net flows[2] 1H11	Group net flows 1H11	Cash fund transfer[3] 1H11	Markets/ FX 1H11	Closing AUM 30 Jun 11	Closing AUM Average net management fee bps[4]
INVESTMENT MANAGEMENT[5]									
Retail									
UK OEICS/Unit Trusts	9,758	6,456	482	(166)	316	207	(25)	16,712	
SICAVs	5,075	3,027	31	(124)	(93)	-	5	8,014	
US mutuals	3,649	-	42	-	42	-	120	3,811	
Investment Trusts	3,639	383	50	-	50	-	81	4,153	
Total Retail	**22,121**	**9,866**	**605**	**(290)**	**315**	**207**	**181**	**32,690**	
Institutional									
UK OEICS/Unit Trusts	4,487	172	(436)	(11)	(447)	-	122	4,334	
SICAVs	139	178	(57)	-	(57)	-	13	273	
Offshore absolute return funds[6]	1,630	1,694	168	(73)	95	-	(6)	3,413	
Investment Trusts	32	-	(5)	-	(5)	-	1	28	
Managed CDOs	1,210	-	(107)	-	(107)	-	169	1,272	
Segregated mandates	9,251	2,411	(2,447)	(65)	(2,512)	201	67	9,418	
Liquidity funds	2,278	60	31	5	36	(1,889)	-	485	
NSIM mandates	1,092	-	66	-	66	-	(13)	1,145	
Total Institutional	**20,119**	**4,515**	**(2,787)**	**(144)**	**(2,931)**	**(1,688)**	**353**	**20,368**	
Total Investment Management	**42,240**	**14,381**	**(2,182)**	**(434)**	**(2,616)**	**(1,481)**	**534**	**53,058**	**58[7]**
Of which absolute return Retail	*292*	*656*	*184*	*138*	*322*	*-*	*60*	*1,330*	
Of which absolute return Instl	*1,811*	*1,694*	*190*	*(73)*	*117*	*-*	*(7)*	*3,615*	
Total absolute return	***2,103***	***2,350***	***374***	***65***	***439***	***-***	***53***	***4,945***	
PROPERTY									
Retail									
UK OEICS/Unit Trusts	840	-	(16)	-	(16)	-	7	831	
	840	**-**	**(16)**	**-**	**(16)**	**-**	**7**	**831**	
Institutional									
Property funds	8,977	-	129	-	129	-	320	9,426	
Segregated mandates	1,993	-	84	-	84	18	21	2,116	
	10,970	**-**	**213**	**-**	**213**	**18**	**341**	**11,542**	
Total Property	**11,810**	**-**	**197**	**-**	**197**	**18**	**348**	**12,373**	**45**
PRIVATE EQUITY									
Retail									
Investment Trusts	78	-	(14)	-	(14)	-	1	65	
	78	**-**	**(14)**	**-**	**(14)**	**-**	**1**	**65**	
Institutional									
Private Equity funds	728	-	(16)	-	(16)	-	123	835	
Hermes JV	-	1,334	-	(4)	(4)	-	68	1,398	
	728	**1,334**	**(16)**	**(4)**	**(20)**	**-**	**191**	**2,233**	
Total Private Equity	**806**	**1,334**	**(30)**	**(4)**	**(34)**	**-**	**192**	**2,298**	
PHOENIX									
Institutional									
UK OEICS/Unit Trusts	3,238	-	(143)	-	(143)	-	46	3,141	
Segregated mandates	2,307	-	(33)	-	(33)	864	281	3,419	
Private Equity funds	118	-	(5)	-	(5)	-	20	133	
Liquidity funds	1,090	-	(226)	-	(226)	(864)	-	-	
Total Phoenix	**6,753**	**-**	**(407)**	**-**	**(407)**	**-**	**347**	**6,693**	
TOTAL GROUP	**61,609**	**15,715**	**(2,422)**	**(438)**	**(2,860)**	**(1,463)**	**1,421**	**74,422**	**56**
CHANNEL									
Retail	23,039	9,866	575	(290)	285	207	189	33,586	76
Institutional excl Phoenix	31,817	5,849	(2,590)	(148)	(2,738)	(1,670)	885	34,143	38[7]
Total Group excl Phoenix	**54,856**	**15,715**	**(2,015)**	**(438)**	**(2,453)**	**(1,463)**	**1,074**	**67,729**	
Phoenix	6,753	-	(407)	-	(407)	-	347	6,693	
TOTAL GROUP	**61,609**	**15,715**	**(2,422)**	**(438)**	**(2,860)**	**(1,463)**	**1,421**	**74,422**	**56**
ASSET TYPE									
Equity	30,515	13,843	(2,276)	(368)	(2,644)	-	1,912	43,626	**68**
Fixed Income	18,349	538	(308)	(66)	(374)	(1,463)	(1,058)	15,992	**31**
Property	11,821	-	197	-	197	-	355	12,373	**45**
Private Equity	924	1,334	(35)	(4)	(39)	-	212	2,431	
TOTAL GROUP	**61,609**	**15,715**	**(2,422)**	**(438)**	**(2,860)**	**(1,463)**	**1,421**	**74,422**	**56**

1 Before net notified redemptions of £368m at Completion.
2 Since Completion.
3 The transfer of HLAF to DB Advisors.
4 Private Equity AUM and net management fees (including the Hermes JV) are excluded from this analysis due to the confidential nature of these fee arrangements and, therefore, also excluded from the average management fee basis points.
5 Previously known as listed assets.
6 Offshore absolute return fund ranges consist of Cayman and Ireland.
7 Calculated including all Phoenix AUM and revenue.

Summary of investment performance
Henderson's overall investment performance[1], across asset class and product type remains good. Over one and three years, 66% and 67% of funds, respectively, outperformed. Within this, 54% of equity funds and 98% of fixed income funds outperformed over one year and 75% and 82% over three years. Final FY10 Property performance showed 66% of funds outperforming over one year, 1% higher than previously reported, following the receipt of final IPD benchmark data.

Business management
The Group is a single segment asset management business governed by the Board, which has sole discretion for setting the strategic direction of the business. Whilst the Group's Executive Directors and key management are responsible for, and have discretion over, the day-to-day management of the business and support functions, all strategic, financial management and key operational decisions are taken centrally by the Board. The Board receives reports across product lines, distribution channels and geographic regions, and monitors financial performance and determines the allocation of capital centrally.

Business strategy
The Group continues to focus on its strategy of growing its existing business through organic growth and, where there are attractive opportunities, through acquisitions and partnerships in markets where the Group is looking to build its distribution or investment capabilities. During 1H11, the Group acquired Gartmore. This acquisition reinforced the Group's position as a diversified asset manager, enhanced the offering of its traditional long-only and absolute return funds and significantly strengthened its presence in the UK retail market.

Investment Management (previously known as Global Listed Assets)
Notwithstanding the volatility in markets in 1H11, we experienced good net inflows into the Henderson UK retail fund range, including the Henderson and Gartmore absolute return funds. The most notable flows in the Henderson UK retail fund range were into Credit Alpha, Strategic Bond, Long Dated Credit and multi-manager funds. In the offshore absolute return funds most of the net flows were into Japan, Agricultural and Asia Pacific. Net flows in the Henderson retail SICAV range, although net positive in 1H11, were held back by eurozone concerns and ensuing market volatility. Net flows in our US Mutuals range turned positive in 1H11 after a slow start at the beginning of the year with the Global Equity Income Fund recording most of the inflows. Investment performance in our 10 year old flagship fund, the International Opportunities Fund, was good in 1H11, leaving the fund in the top quartile year to date, and over three and five years though one year performance remains disappointing.

Institutional net outflows of £2.7bn, excluding Phoenix, are mainly from long-standing, lower margin mandates where clients have, despite strong performance, rebalanced their portfolios. The institutional pipeline is flat at period end.

In line with its strategy the Group exited two of its lower margin businesses. The cash business was transferred to DB Advisors and, as a result, the Group's AUM reduced by £1.5bn in 1H11. On 1 July 2011, the Group sold its shareholding in WorldInvest Management Ltd (WorldInvest) to Connor, Clark & Lunn UK Limited (CCL). WorldInvest owns 100% of the share capital of New Star Institutional Managers Limited (NSIM) and, therefore, the Group's interest in NSIM with £1.1bn of AUM has been disposed of and transferred to CCL. The impact on the Group's profit in future periods is negligible.

Property
The net inflows of £197m relate largely to an investment, known as the 'Leadenhall Triangle', on behalf of the Central London Office funds. Property client commitments remained largely unchanged at 30 June 2011 at £1.5bn as, although some client commitments were invested, we raised additional commitments during the period. We expect to continue raising new equity and investing client commitments in 2H11. Furthermore, offsetting these investments, we expect to continue selling some assets as we realise successful exits for our clients. The combined effect of all this activity is that net flows are expected to be modestly positive in 2H11.

Private Equity
The Private Equity business continues to perform well, with positive performance across its funds. The first Asia fund is delivering a consistent net IRR of approximately 16%, while the second Asia fund is now fully invested having completed its final investment during 1H11. Henderson Private Equity Investment Trust increased its price by 24% during 1H11, due to the Fund of Funds team's measured and orderly realisation of the portfolio, a strategy which commenced in September 2010.

As previously disclosed, the infrastructure fund, Henderson PFI Secondary Fund II L.P. (Fund II), had a difficult period during the global financial crisis of 2008 and 2009 culminating in concerns raised by our clients. Recent correspondence indicates that some clients remain concerned. We are still confident that the Group has no legal liability. Looking at the funds themselves, over 2010 and 1H11 the Infrastructure funds have made significant progress in improving performance through the implementation of a number of initiatives. Henderson PFI Secondary Fund L.P. and Fund II are currently valued at 1.2x[2] and 0.6x[2] cost, respectively, corresponding to a 13% and 49% increase in value over the last 12 months, respectively. The values represent a continued improvement in performance.

1 Investment performance for one and three years include Gartmore funds.
2 As at 30 June 2011, based on 31 March 2011 valuations.

Pension schemes
The Group has three types of pension schemes. A defined benefit scheme and a defined contribution scheme, together forming the Henderson Group Pension Scheme (the Pension Scheme), the Gartmore Pension Scheme which is a defined benefit scheme and a number of smaller unapproved pension top-up schemes for previous executives.

There was a net surplus in the Pension Scheme of £135.9m at 30 June 2011 (31 December 2010: £112.5m). The increase in the Pension Scheme surplus during 1H11 is principally due to two factors. First, the move from the Retail Price Index (RPI) to the Consumer Price Index (CPI) as the basis for future revaluation of deferred and active pensions. Secondly, there was an increase in the discount rate used to value the Pension Scheme's liabilities for accounting purposes, set by reference to AA-rated corporate bonds with approximately 20 years' duration, to 5.6% per annum from 5.4% per annum in 2010.

Gartmore operated a pension scheme (the Gartmore Pension Scheme) which is fully funded and is closed to new members and future accrual. The Group is uncertain whether it can derive future economic benefit from the Gartmore Pension Scheme through reduced contributions or return of assets and therefore the surplus has not been recognised by the Group as at 30 June 2011. As at 30 June 2011, the surplus stood at £57.5m (31 December 2010: £56.9m).

The liability in respect of the Group's unapproved pension schemes amounted to £6.6m at 30 June 2011 (31 December 2010: £6.2m).

Regulatory requirements
The Group is subject to regulatory oversight and inspection by the FSA and other international regulatory bodies. Consequently, the Group's internal controls, governance, procedures and capital are reviewed on a continuous basis. Both management and the Board ensure that the Group is compliant with its regulatory obligations at all times. The Group has a waiver from consolidated supervision in place, renewed on completion of the Gartmore acquisition and valid until April 2016. The regulatory capital surplus of the Group under the Parent Financial Holding Company test amounted to £629m at 30 June 2011 (31 December 2010: £304m). The increase in the capital surplus is as a result of shares issued in respect of the Gartmore acquisition and regulatory capital requirements.

Related party transactions
No related party transactions that materially affect the financial position or performance of the Group have taken place during the period, and there have been no changes in the related party transactions described in the last annual report that could have a material effect on the financial position or performance of the Group in the six months ended 30 June 2011.

Dividends
The Board has declared an interim dividend of 1.95 pence per share (1H10: 1.85 pence per share), in line with the stated formula where the interim dividend equates to 30% of the total dividend for the previous year, assuming the Group has sufficient resources to fund the dividend. The interim dividend will be paid on 23 September 2011 to shareholders on the register on 2 September 2011.

Outlook
We expect the recent market turmoil to continue in the short- to medium-term, which will dampen investor appetite. That said, we will invest selectively in our business to ensure that we deliver the best product and best service to our clients whilst we continue to manage our cost base actively.

Forward-looking statements
This announcement contains forward-looking statements with respect to the financial condition, results and business of the Group. By their nature, forward-looking statements involve risk and uncertainty because they relate to events, and depend on circumstances, that will occur in the future. The Group's actual future results may differ materially from the results expressed or implied in these forward-looking statements. Nothing in this announcement should be construed as a profit forecast.

Risk management

The key risks within the Group fall into a number of distinct categories and the means adopted to mitigate them are both varied and relevant to the particular risk concerned. Information regarding the key risks and their mitigation in 2010 is set out in the Group's Annual Report and Accounts as at 31 December 2010 on pages 17 to 19 and the related governance framework is set out on pages 29 and 30. These risks and our response to them have not changed significantly from that described in the Group's Annual Report and Accounts with the exception of the risks associated with the acquisition of Gartmore and its subsequent integration, which are described below.

On 12 January 2011, the Group announced the terms of the proposed acquisition of Gartmore Group Limited which was subsequently completed on 4 April 2011. The acquisition of Gartmore was financed by the issue of Henderson Group plc shares. Prior to Completion, the Group issued £150m of senior, unrated, fixed rate notes which along with the Group's existing cash and borrowings was used to repay Gartmore's debt of £245.4m and extinguish £32.4m of the Group's existing 2012 Notes at a premium of £0.9m. Bank facilities were also arranged prior to the deal being announced.

The acquisition and subsequent integration of Gartmore did increase some of the risks outlined in the Group's Annual Report and Accounts, in particular 'Acquisition', 'Key personnel' and 'Operational' risks. Prior and subsequent to the announcement of the proposed acquisition, senior management has been active in planning and implementing the integration and therefore identifying and mitigating risks. A governance structure was established with regular reporting to an acquisition and integration steering committee and also to the Executive Committee, the Board Risk Committee and the Board itself. The main operational integration occurred over the extended Easter weekend. This integration was successful, with no material integration problems. Turnover of key staff in both organisations has been minimal and the organisation stress caused by the integration has reduced considerably since the end of April.

.

Independent Review Report
to the members of Henderson Group plc

Introduction
We have been engaged by Henderson Group plc (the Company) to review the Interim Condensed Consolidated Financial Statements in the Interim Report and Accounts for the six months ended 30 June 2011 which comprises the Interim Condensed Consolidated Income Statement, Interim Condensed Consolidated Statement of Comprehensive Income, Interim Condensed Consolidated Statement of Financial Position, Interim Condensed Consolidated Statement of Changes in Equity, Interim Condensed Consolidated Statement of Cash Flows and the notes to the Interim Condensed Consolidated Financial Statements from pages 16 to 34. We have read the other information contained in the Interim Report and Accounts and considered whether it contains any apparent misstatements or material inconsistencies with the information in the Interim Condensed Consolidated Financial Statements.

This report is made solely to the Company in accordance with guidance contained in the International Standard on Review Engagements 2410 (UK and Ireland), "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Directors' responsibilities
The Interim Report and Accounts is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the Interim Report and Accounts in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The Interim Condensed Consolidated Financial Statements included in this Interim Report and Accounts has been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting as adopted by the European Union.

Our responsibility
Our responsibility is to express to the Company a conclusion on the Interim Condensed Consolidated Financial Statements in the Interim Report and Accounts based on our review.

Scope of review
We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
On the basis of our review, nothing has come to our attention that causes us to believe that the Interim Condensed Consolidated Financial Statements in the Interim Report and Accounts for the six months ended 30 June 2011 is not prepared, in all material respects, in accordance with International Accounting Standard 34 Interim Financial Reporting as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Ernst & Young LLP
London

16 August 2011

Interim Condensed Consolidated Income Statement

For the six months ended 30 June 2011

	Notes	6 months to 30 June 2011 Unaudited £m	6 months to 30 June 2010 Unaudited £m	12 months to 31 December 2010 Audited £m
Income				
Gross fee income and commissions	3	**355.1**	236.2	487.9
Finance income		**1.6**	0.9	0.8
Gross income		**356.7**	237.1	488.7
Commissions and fees payable		**(100.6)**	(57.6)	(125.8)
Total income		**256.1**	179.5	362.9
Expenses				
Operating costs		**(161.0)**	(124.9)	(250.3)
Depreciation		**(1.5)**	(1.7)	(3.2)
Total expenses before finance costs		**(162.5)**	(126.6)	(253.5)
Finance costs		**(7.2)**	(4.4)	(8.7)
Total expenses		**(169.7)**	(131.0)	(262.2)
Underlying profit before tax		**86.4**	48.5	100.7
Gartmore related employee share awards	5	**(21.1)**	-	-
Intangible amortisation	10	**(15.8)**	(5.8)	(11.6)
Void property finance charge	15	**(0.9)**	(1.1)	(2.1)
Recurring profit before tax		**48.6**	41.6	87.0
Non-recurring items	6	**(51.7)**	-	(10.5)
(Loss)/profit before tax		**(3.1)**	41.6	76.5
Tax on recurring profit		**(7.5)**	(8.6)	(16.1)
Tax on non-recurring items	6	**11.5**	-	0.6
Non-recurring tax	6	**12.9**	-	16.4
Total tax	7	**16.9**	(8.6)	0.9
Profit after tax		**13.8**	33.0	77.4
Attributable to:				
Equity holders of the parent		**13.8**	32.3	77.9
Non-controlling interests		**-**	0.7	(0.5)
		13.8	33.0	77.4
Dividends				
Dividends declared and charged to equity in the period	8	**49.2**	34.1	49.0
Dividends declared post the reporting date	8	**21.3**	14.9	49.2
Basic and diluted earnings per share (pence)				
Basic	9.2.2	**1.5**	4.1	9.9
Diluted	9.2.2	**1.4**	3.9	9.2

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2011

	Notes	6 months to 30 June 2011 Unaudited £m	6 months to 30 June 2010 Unaudited £m	12 months to 31 December 2010 Audited £m
Profit after tax		**13.8**	33.0	77.4
Other comprehensive income				
Exchange differences on translation of foreign operations		**0.9**	0.5	0.3
Available-for-sale financial assets:				
Net gains on revaluation		**3.8**	1.1	3.0
Translation reserve transfer on impairment		**-**	-	(0.3)
Tax charged in relation to available-for-sale financial assets movements	7	**(0.2)**	(0.2)	(0.6)
Actuarial gains:				
Actuarial gains on defined benefit pension schemes	13.3	**20.3**	19.1	14.8
Actuarial gains on post-retirement medical benefits		**-**	-	0.2
Tax charged in relation to actuarial gains	7	**(4.9)**	(5.4)	(3.9)
Other comprehensive income after tax		**19.9**	15.1	13.5
Total comprehensive income		**33.7**	48.1	90.9
Attributable to:				
Equity holders of the parent		**33.7**	47.4	91.4
Non-controlling interests		**-**	0.7	(0.5)
		33.7	48.1	90.9

Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2011

	Notes	30 June 2011 Unaudited £m	30 June 2010 Unaudited £m	31 December 2010 Audited £m
Non-current assets				
Intangible assets	10	**839.4**	360.4	345.0
Investments accounted for using the equity method	11	**8.3**	5.7	6.8
Plant and equipment		**20.7**	22.2	21.2
Retirement benefit asset	13.1	**135.9**	113.8	112.5
Deferred tax assets		**52.1**	14.4	30.3
Deferred acquisition and commission costs		**69.1**	54.7	58.3
		1,125.5	571.2	574.1
Current assets				
Available-for-sale financial assets		**63.2**	44.1	46.6
Financial assets at fair value through profit or loss		**2.0**	1.2	1.2
Trade and other receivables		**245.0**	161.9	141.6
Deferred acquisition and commission costs		**71.9**	45.3	55.3
Cash and cash equivalents		**170.7**	100.5	176.6
Assets classified as held for sale	12	**2.1**	-	-
		554.9	353.0	421.3
Total assets		**1,680.4**	924.2	995.4
Non-current liabilities				
Debt instruments in issue	14	**147.8**	180.5	179.1
Retirement benefit obligations		**6.6**	6.3	6.2
Provisions	15	**24.5**	30.1	25.3
Deferred tax liabilities		**109.3**	63.6	50.1
Deferred income		**70.7**	54.1	58.4
		358.9	334.6	319.1
Current liabilities				
Debt instruments in issue	14	**144.7**	-	-
Trade and other payables		**343.0**	201.8	222.0
Provisions	15	**23.6**	22.0	27.4
Deferred income		**72.8**	45.7	56.3
Current tax liabilities		**10.0**	24.7	15.7
		594.1	294.2	321.4
Total liabilities		**953.0**	628.8	640.5
Net assets		**727.4**	295.4	354.9
Capital and reserves				
Share capital		**136.5**	103.3	104.2
Share premium		**672.6**	252.3	261.0
Own shares held		**(129.6)**	(42.5)	(52.4)
Translation reserve		**7.1**	6.7	6.2
Revaluation reserve		**8.8**	3.1	5.0
Profit and loss reserve		**31.5**	(29.2)	30.4
Shareholders' equity		**726.9**	293.7	354.4
Non-controlling interests		**0.5**	1.7	0.5
Total equity		**727.4**	295.4	354.9

Approved by the Board on 16 August 2011.

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2011

	Share capital	Share premium	Own shares held	Translation reserve	Revaluation reserve	Profit and loss reserve	Non-controlling interests	Total equity
	£m	£m	£m	£m	£m	£m	£m	£m
At 1 January 2010	103.1	250.7	(51.6)	6.2	2.0	(29.2)	1.0	282.2
Total comprehensive income	-	-	-	0.5	1.1	45.8	0.7	48.1
Dividends paid to equity shareholders	-	-	-	-	-	(34.1)	-	(34.1)
Purchase of own shares	-	-	(11.1)	-	-	-	-	(11.1)
Vesting of share schemes	-	-	20.2	-	-	(20.2)	-	-
Issue of shares for share schemes	0.2	1.6	-	-	-	(0.8)	-	1.0
Movement in equity-settled share scheme expenses	-	-	-	-	-	9.3	-	9.3
At 30 June 2010	103.3	252.3	(42.5)	6.7	3.1	(29.2)	1.7	295.4
Total comprehensive income/(loss)	-	-	-	(0.5)	1.9	42.6	(1.2)	42.8
Dividends paid to equity shareholders	-	-	-	-	-	(14.9)	-	(14.9)
Purchase of own shares	-	-	(2.4)	-	-	-	-	(2.4)
Vesting of share schemes	-	-	1.6	-	-	(1.6)	-	-
Issue of shares for share schemes	0.9	8.7	(9.1)	-	-	(0.4)	-	0.1
Movement in equity-settled share scheme expenses	-	-	-	-	-	8.7	-	8.7
Tax on equity-settled share schemes	-	-	-	-	-	25.2	-	25.2
At 31 December 2010	104.2	261.0	(52.4)	6.2	5.0	30.4	0.5	354.9
Total comprehensive income	**-**	**-**	**-**	**0.9**	**3.8**	**29.0**	**-**	**33.7**
Dividends paid to equity shareholders	**-**	**-**	**-**	**-**	**-**	**(49.2)**	**-**	**(49.2)**
Purchase of own shares	**-**	**-**	**(21.5)**	**-**	**-**	**-**	**-**	**(21.5)**
Issue of shares for Gartmore acquisition	**30.3**	**389.7**	**(70.0)**	**-**	**-**	**-**	**-**	**350.0**
Share allotment	**0.1**	**1.0**	**-**	**-**	**-**	**-**	**-**	**1.1**
Share issue costs	**-**	**(0.1)**	**-**	**-**	**-**	**-**	**-**	**(0.1)**
Vesting of share schemes	**-**	**-**	**34.4**	**-**	**-**	**(34.4)**	**-**	**-**
Issue of shares for share schemes	**1.9**	**21.0**	**(20.1)**	**-**	**-**	**(0.7)**	**-**	**2.1**
Fair value of share-based payment awards exchanged	**-**	**-**	**-**	**-**	**-**	**15.4**	**-**	**15.4**
Movement in equity-settled share scheme expenses	**-**	**-**	**-**	**-**	**-**	**34.3**	**-**	**34.3**
Tax on equity-settled share schemes	**-**	**-**	**-**	**-**	**-**	**6.7**	**-**	**6.7**
At 30 June 2011	**136.5**	**672.6**	**(129.6)**	**7.1**	**8.8**	**31.5**	**0.5**	**727.4**

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2011

	Notes	6 months to 30 June 2011 Unaudited £m	6 months to 30 June 2010 Unaudited £m	12 months to 31 December 2010 Audited £m
Cash flows from operating activities				
(Loss)/profit before tax		**(3.1)**	41.6	76.5
Adjustments to reconcile (loss)/profit before tax to net cash flows from operating activities:				
- debt instruments in issue interest expense		**6.8**	4.2	8.5
- financing arrangement fees		**2.8**	-	-
- share-based payment charges		**13.2**	7.9	18.0
- Gartmore related employee share awards charge	5	**21.1**	-	-
- intangible amortisation	10	**15.8**	5.8	11.6
- void property finance charge	15	**0.9**	1.1	2.1
- share of profit of associates and joint ventures	11	**(1.8)**	(1.2)	(2.0)
- plant and equipment depreciation		**1.9**	1.7	3.2
- net deferred acquisition and commission costs and deferred income amortisation		**(2.7)**	0.2	0.1
- contributions to retirement benefit schemes in excess of costs recognised		**(2.9)**	(4.5)	(7.5)
- computer software disposal		**-**	-	0.9
- goodwill impairment	10	**-**	-	8.7
- available-for-sale financial assets impairment		**-**	-	1.8
- gain on disposal of available-for-sale financial asset		**-**	-	(0.1)
- Towry Law International provision release	6	**-**	-	(5.8)
- other provisions release		**-**	-	(0.1)
Cash flows from operating activities before changes in operating assets and liabilities		**52.0**	56.8	115.9
Changes in operating assets and liabilities		**(45.1)**	(28.5)	16.5
Net tax (paid)/received		**(6.5)**	3.1	1.8
Net cash flows from operating activities		**0.4**	31.4	134.2
Cash flows from investing activities				
Proceeds from sale of available-for-sale financial assets		**3.6**	7.7	9.7
Dividends from associates and distributions from joint ventures		**3.3**	1.8	1.8
Purchases of:				
- available-for-sale financial assets		**(7.1)**	(6.8)	(12.4)
- plant and equipment		**(0.9)**	(0.5)	(1.1)
- interests in associates and joint ventures		**-**	-	(0.2)
Cash classified as held for sale		**(0.9)**	-	-
Cash acquired, net of share issue costs		**202.1**	-	-
Net cash flows from investing activities		**200.1**	2.2	(2.2)
Cash flows from financing activities				
Proceeds from issue of shares		**2.0**	0.1	0.2
Purchase of own shares		**(21.5)**	(11.1)	(13.5)
Dividends paid to equity shareholders		**(49.2)**	(34.1)	(49.0)
Interest paid on debt instruments in issue		**(5.4)**	(5.7)	(11.4)
Financing arrangement fees		**(2.8)**	-	-
Debt issue costs		**(1.7)**	-	-
Proceeds from issue of 2016 Notes		**116.7**	-	-
Repayment of Gartmore borrowings	17	**(245.4)**	-	-
Net cash flows from financing activities		**(207.3)**	(50.8)	(73.7)
Effects of exchange rate changes		**0.9**	(1.3)	(0.7)
Net (decrease)/increase in cash and cash equivalents		**(5.9)**	(18.5)	57.6
Cash and cash equivalents at beginning of period		**176.6**	119.0	119.0
Cash and cash equivalents at end of period		**170.7**	100.5	176.6

Notes to the Interim Condensed Consolidated Financial Statements

1 Corporate information

Henderson Group plc (the Company) is a public limited company incorporated in Jersey and tax resident in the Republic of Ireland. The Company's ordinary shares are traded on the London Stock Exchange and CHESS Depositary Interests are traded on the ASX.

The Interim Condensed Consolidated Financial Statements of the Group for the six months ended 30 June 2011 were authorised for issue by the Board on 16 August 2011.

The results for the six months ended 30 June 2011 and the six months ended 30 June 2010 are unaudited but have been reviewed by the auditors, Ernst & Young LLP. The condensed comparative figures for the full year ended 31 December 2010 have been taken from the Henderson Group plc Annual Report and Accounts. The auditors have reported on the 2010 financial statements in the Annual Report and Accounts and their report was unqualified. The Henderson Group plc Annual Report and Accounts for the year ended 31 December 2010 has been filed with the Jersey Financial Services Commission Companies Registry. The Interim Condensed Consolidated Financial Statements do not constitute statutory accounts.

2 Basis of preparation and significant accounting policies

Basis of preparation
The Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2011 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union. The annual financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

The Interim Condensed Consolidated Financial Statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with Henderson Group plc's Annual Report and Accounts for the year ended 31 December 2010.

The Directors are satisfied that the Group has and will maintain sufficient financial resources to enable it to continue operating in the foreseeable future and, therefore, they continue to adopt the going concern basis in preparing the Interim Report and Accounts.

Significant accounting policies
The accounting policies adopted in the preparation of the Interim Condensed Consolidated Financial Statements are consistent with those followed in the preparation of Henderson Group plc's Annual Report and Accounts for the year ended 31 December 2010.

3 Segmental information

Group fee income and non-current assets

The Group is an asset manager, operating throughout Europe with operations in North America and Asia. It manages a broad range of actively managed investment products for institutional and retail investors, across multiple asset classes, including equities, fixed income, property and private equity. Management operates across product lines, distribution channels and geographic regions. All investment product types are sold in most, if not all, of these regions, and are managed in various locations.

Information is reported to the chief operating decision maker, being the Board, on an aggregated basis. Strategic and financial management decisions are determined centrally by the Board and, on this basis, the Group is a single segment asset management business.

Entity-wide disclosures

Gross fee income and commissions by product

	6 months to 30 June 2011 Unaudited £m	6 months to 30 June 2010 Unaudited £m	12 months to 31 December 2010 Audited £m
UK retail	**144.0**	89.3	188.3
SICAV	**63.5**	28.7	63.2
Offshore absolute return funds	**30.2**	10.9	19.5
Property	**30.0**	28.2	59.6
Institutional and liquidity funds	**27.6**	35.0	57.3
US mutuals	**17.7**	17.0	34.3
Other	**42.1**	27.1	65.7
	355.1	236.2	487.9

Geographic information

Gross fee income and commissions from clients

	6 months to 30 June 2011 Unaudited £m	6 months to 30 June 2010 Unaudited £m	12 months to 31 December 2010 Audited £m
UK	**301.4**	186.0	386.2
Luxembourg	**17.4**	23.7	44.4
US	**15.3**	14.6	33.0
Japan	**7.4**	-	-
Singapore	**4.2**	3.4	8.2
Ireland	**3.9**	1.2	2.4
Other	**5.5**	7.3	13.7
	355.1	236.2	487.9

The geographical revenue information is split according to the country in which the revenue is generated, not necessarily where the client is based.

The Group does not have a single client which accounts for more than 10% of revenues.

Non-current assets

	30 June 2011 Unaudited £m	30 June 2010 Unaudited £m	31 December 2010 Audited £m
UK	**927.5**	433.2	421.4
Other	**10.0**	9.8	9.9
	937.5	443.0	431.3

Non-current assets for this purpose consist of intangible assets, investments accounted for using the equity method, plant and equipment and deferred acquisition and commission costs.

4 Seasonality of operations

The Group's revenue streams are not generally seasonal in nature, with management fee and finance income accruing evenly during the year. Transaction fees accrue mainly throughout the year, however an element of these fees occurs on an ad hoc basis. Performance fees are recognised when the prescribed performance hurdles have been achieved and it is probable that the fee will crystallise as a result. The hurdles coincide with the underlying fund year ends. The year ends of offshore absolute return funds and SICAVs are biased to the first half of the year. In addition, given the uncertain nature of performance fees, these can fluctuate from period to period.

5 Gartmore related employee share awards

This charge represents the post-acquisition share-based payment charge for awards to Gartmore employees originally made in 2010 and exchanged into Henderson Group plc shares upon Completion on the same terms as the original awards.

6 Non-recurring items

The non-recurring items recorded in the consolidated income statement comprise the following:

	6 months to 30 June 2011 Unaudited £m	6 months to 30 June 2010 Unaudited £m	12 months to 31 December 2010 Audited £m
Gartmore integration costs	**(51.7)**	**-**	-
FSCS interim levy	**-**	**-**	(7.6)
Goodwill impairment	**-**	**-**	(8.7)
Towry Law International provision release	**-**	**-**	5.8
Non-recurring items before tax	**(51.7)**	-	(10.5)
Tax on non-recurring items	**11.5**	-	0.6
Non-recurring tax	**12.9**	-	16.4
Non-recurring items after tax	**(27.3)**	-	6.5

Six months to 30 June 2011

Gartmore integration costs
On 4 April 2011, the Group's acquisition of Gartmore was completed. An expense of £51.7m before tax was incurred in relation to the integration of Gartmore during the period. These integration costs mainly relate to staff related expenses, legal and professional fees, transition of outsourced retail and investment operations, office relocation and reorganisation and fund mergers.

Non-recurring tax
During the six months to 30 June 2011, the Group reassessed the future utilisation of previously unrecognised tax assets following the Gartmore acquisition and consequently a deferred tax asset of £12.9m has been recognised in respect of the expected utilisation of these assets against future taxable profits.

Six months to 30 June 2010

There were no non-recurring items incurred in the six months ended 30 June 2010.

12 months to 31 December 2010

FSCS interim levy
In November 2010, the FSCS indicated that it would raise an interim levy on investment managers in respect of claims received from investors in Keydata Investment Services Limited (in administration). The Group provided for this levy in full during 2010.

Goodwill impairment
The goodwill allocated to the NSIM cash generating unit (a specialised segregated company formerly part of New Star) as a result of an earn out deal in respect of that company, was impaired in full as a result of a 50% decline in AUM.

Towry Law International provision release
During the second half of 2010, the majority of a previously recognised product mis-selling provision, relating to Towry Law International products, was deemed to be no longer required and was released. This resulted in a £5.8m credit in 2010.

Non-recurring tax
During the second half of 2010, HMRC closed enquiries into certain prior year tax filings, resulting in the Group releasing tax provisions of £16.4m.

7 Tax

Tax recognised in the consolidated income statement

	6 months to 30 June 2011 Unaudited £m	6 months to 30 June 2010 Unaudited £m	12 months to 31 December 2010 Audited £m
Current tax:			
- (credit)/charge for the period	**(1.7)**	1.2	16.6
- prior period adjustments	**(1.6)**	(0.7)	(14.8)
Deferred tax:			
- (credit)/charge for the period	**(14.2)**	8.5	(0.5)
- prior period adjustments	**0.6**	(0.4)	(2.2)
Total tax (credited)/charged to the consolidated income statement	**(16.9)**	8.6	(0.9)

Tax recognised in the consolidated statement of comprehensive income

	6 months to 30 June 2011 Unaudited £m	6 months to 30 June 2010 Unaudited £m	12 months to 31 December 2010 Audited £m
Tax charged in relation to available-for-sale financial assets movements	**0.2**	0.2	0.6
Tax charged in relation to actuarial gains	**4.9**	5.4	3.9
Total tax charged to the consolidated statement of comprehensive income	**5.1**	5.6	4.5

Reconciliation of (loss)/profit before tax to tax (credit)/charge

The tax charge for the period is reconciled to the (loss)/profit before tax in the consolidated income statement as follows:

	6 months to 30 June 2011 Unaudited £m	6 months to 30 June 2010 Unaudited £m	12 months to 31 December 2010 Audited £m
(Loss)/profit before tax	**(3.1)**	41.6	76.5
Tax (credit)/charge at the pro rata UK statutory corporation tax rate of 26.5% (1H10 and FY10: 28%)	**(0.8)**	11.7	21.4
Factors affecting the tax (credit)/charge:			
Disallowable expenditure and non-taxable income	**1.8**	1.2	1.2
Other taxable income	**1.8**	2.0	-
Prior period adjustments	**(1.0)**	(1.1)	(0.6)
Differences in effective tax rates on overseas earnings	**(3.2)**	(5.3)	(5.6)
Changes in applicable statutory tax rates	**(1.0)**	-	(0.9)
Utilisation of previously unrecognised tax losses	**(0.9)**	-	-
Recognition of previously unrecognised tax losses	**(12.9)**	-	-
Prior period non-recurring provision release	**-**	-	(16.4)
Other items	**(0.7)**	0.1	-
Total tax (credited)/charged in the consolidated income statement	**(16.9)**	8.6	(0.9)

8 Dividends

	6 months to 30 June 2011 Unaudited £m	6 months to 30 June 2010 Unaudited £m	12 months to 31 December 2010 Audited £m
Dividends on ordinary shares declared and paid in the period:			
Final dividend in respect of 2H09	**-**	34.1	34.1
Interim dividend in respect of 1H10	**-**	-	14.9
Final dividend in respect of 2H10	**49.2**	-	-
Total dividends paid and charged to equity	**49.2**	34.1	49.0
Dividends on ordinary shares declared post balance sheet date:			
Interim dividend in respect of 1H11 profits: 1.95 pence per share payable in 2H11	**21.3**	n/a	n/a

An interim dividend of £21.3m (1.95 pence per share) was declared by the Board on 16 August 2011. This will be payable on 23 September 2011 to shareholders on the register on 2 September 2011.

The difference between the proposed final dividends as reported in the 2010 Annual Report and Accounts (FY10: £38.8m) and the dividends paid out during the year (£49.2m), represents an increase of £11.3m due to dividends paid on shares issued in relation to the Gartmore acquisition offset by £0.9m in relation to dividends waived by employee benefit trusts on shares held in trust on behalf of Group employees. The amount waived in respect of the interim dividend declared for 2011 will be established by the employee benefit trusts on 2 September 2011, being the dividend record date.

9 Earnings per share

Weighted average number of shares

The weighted average number of shares for the purpose of calculating earnings per share is as follows:

	6 months to 30 June 2011 Unaudited m	6 months to 30 June 2010 Unaudited m	12 months to 31 December 2010 Audited m
Weighted average			
Issued share capital	**957.6**	825.5	826.7
Less: own shares held	**(64.5)**	(37.4)	(38.3)
Weighted average number of ordinary shares for the purpose of basic earnings per share	**893.1**	788.1	788.4
Add back: dilutive potential of share options and unconditional awards	**71.1**	38.9	60.8
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**964.2**	827.0	849.2

Basic and diluted earnings per share have been calculated on the profit attributable to equity holders of the parent. The difference between the weighted average number of shares used in the basic earnings per share and the diluted earnings per share calculations reflects the dilutive impact of share options and unconditional awards of shares to employees.

9 Earnings per share continued

9.1 On underlying profit after tax attributable to equity holders of the parent

9.1.1 Earnings

	6 months to 30 June 2011 Unaudited £m	6 months to 30 June 2010 Unaudited £m	12 months to 31 December 2010 Audited £m
Profit after tax attributable to equity holders of the parent	**13.8**	32.3	77.9
Add back: Gartmore related employee share awards, intangible amortisation and void property finance charge adjusted for tax effect	**27.2**	5.0	9.2
Non-recurring items adjusted for tax effect	**40.2**	-	9.9
Non-recurring tax item	**(12.9)**	-	(16.4)
Underlying profit after tax attributable to equity holders of the parent	**68.3**	37.3	80.6

9.1.2 Earnings per share

	6 months to 30 June 2011 Unaudited pence	6 months to 30 June 2010 Unaudited pence	12 months to 31 December 2010 Audited pence
Basic	**7.6**	4.7	10.2
Diluted	**7.1**	4.5	9.5

9.2 On profit after tax attributable to equity holders of the parent

9.2.1 Earnings

	6 months to 30 June 2011 Unaudited £m	6 months to 30 June 2010 Unaudited £m	12 months to 31 December 2010 Audited £m
Profit after tax attributable to equity holders of the parent	**13.8**	32.3	77.9

9.2.2 Earnings per share

	6 months to 30 June 2011 Unaudited pence	6 months to 30 June 2010 Unaudited pence	12 months to 31 December 2010 Audited pence
Basic	**1.5**	4.1	9.9
Diluted	**1.4**	3.9	9.2

10 Intangible assets

Intangible assets are made up as follows:

	Goodwill	Investment management contracts	Computer software	Total
	£m	£m	£m	£m
Cost				
At 1 January 2010 and 30 June 2010	285.7	86.9	2.4	375.0
Impairment	(8.7)	-	-	(8.7)
Disposal	-	-	(0.9)	(0.9)
At 31 December 2010	277.0	86.9	1.5	365.4
Additions	289.3	220.9	-	510.2
At 30 June 2011	**566.3**	**307.8**	**1.5**	**875.6**
Amortisation				
At 1 January 2010	-	(8.4)	(0.4)	(8.8)
Amortisation charge	-	(5.6)	(0.2)	(5.8)
At 30 June 2010	-	(14.0)	(0.6)	(14.6)
Amortisation charge	-	(5.6)	(0.2)	(5.8)
At 31 December 2010	-	(19.6)	(0.8)	(20.4)
Amortisation charge	-	(15.6)	(0.2)	(15.8)
At 30 June 2011	**-**	**(35.2)**	**(1.0)**	**(36.2)**
Carrying value at 30 June 2010	285.7	72.9	1.8	360.4
Carrying value at 31 December 2010	277.0	67.3	0.7	345.0
Carrying value at 30 June 2011	**566.3**	**272.6**	**0.5**	**839.4**

The Directors have reviewed the intangible assets for indications of impairment and are satisfied that there are none.

11 Associates and joint ventures

The Group holds interests in the following associates and joint ventures:

	Country of incorporation and principal place of operation	Functional currency	Percentage owned as at 30 June 2011	Percentage owned as at 30 June 2010	Percentage owned as at 31 December 2010
Asia Real Estate Fund Management Limited	Singapore	SGD	**50%**	50%	50%
Asia Real Estate Fund Management BVI	British Virgin Islands	USD	**50%**	50%	50%
Attunga Capital Pty Limited	Australia	AUD	**30%**	30%	30%
Henderson-mfi Shopping Centre Verwaltungs GmbH	Germany	EUR	**50%**	50%	50%
Hermes GPE LLP	United Kingdom	GBP	**50%**	-	-
HGI Immobilien GmbH	Germany	EUR	**50%**	50%	50%
New Star Canada Inc	Canada	CAD	**50%**	50%	50%
Warburg-Henderson Kapitalanlagegesellschaft für Immobilien mbH	Germany	EUR	**50%**	50%	50%

	30 June 2011 £m	30 June 2010 £m	31 December 2010 £m
Share of aggregate net assets	**8.3**	5.7	6.8
Share of profit for the six month or twelve month period	**1.8**	1.2	2.0

The Group's investments in associates and joint ventures are accounted for under the equity method. The investments are carried at cost adjusted for the post-acquisition share of profits and losses and other changes in equity. Dividends from associates and distributions from joint ventures received during the period are deducted from the carrying value of the investment. As part of the acquisition of Gartmore, the Group holds a 50% share in the Hermes GPE LLP joint venture and recognised an asset of £3.1m at Completion.

12 Assets classified as held for sale

On 1 July 2011, the Group disposed of its investment in WorldInvest Management Ltd. As a result, the Group has disclosed the net assets of WorldInvest Management Ltd and NSIM as an asset classified as held for sale.

13 Retirement benefits

13.1 Retirement benefit asset recognised in the consolidated statement of financial position

	30 June 2011 Unaudited £m	30 June 2010 Unaudited £m	31 December 2010 Audited £m
Henderson Group Pension Scheme	**135.9**	113.8	112.5

The retirement benefit asset in respect of the Pension Scheme, before deferred tax provisions, was £135.9m at 30 June 2011. The increase in the Pension Scheme asset of £23.4m during 1H11 is primarily due to actuarial gains of £20.0m. These actuarial gains resulted from the effect of the changes in assumptions due to the move from RPI to CPI as the basis for future revaluation of certain obligations and the increase in the discount rate to 5.6% per annum at 30 June 2011 from 5.4% per annum at 31 December 2010.

The Gartmore Pension Scheme is fully funded and closed to new members and future accrual. The Group is uncertain whether it can derive future economic benefit from the Gartmore Pension Scheme through reduced contributions or return of assets and therefore the surplus has not been recognised by the Group as at 30 June 2011. As at 30 June 2011, the surplus stood at £57.5m (31 December 2010: £56.9m).

13 Retirement benefits

13.2 Pension service expense/(credit) recognised in the consolidated income statement

The pension expense recognised in the consolidated income statement comprises the following:

	6 months to 30 June 2011 Unaudited £m	6 months to 30 June 2010 Unaudited £m	12 months to 31 December 2010 Audited £m
Henderson Group Pension Scheme	**(1.7)**	(1.1)	(2.3)
Gartmore Pension Scheme	**0.3**	-	-
Money Purchase Scheme	**2.7**	2.3	4.7
Henderson Group unapproved pension schemes	**0.2**	0.2	0.3
	1.5	1.4	2.7

13.3 Actuarial gains recognised in the consolidated statement of comprehensive income

	6 months to 30 June 2011 Unaudited £m	6 months to 30 June 2010 Unaudited £m	12 months to 31 December 2010 Audited £m
Henderson Group Pension Scheme	**20.0**	19.1	14.8
Gartmore Pension Scheme	**0.3**	-	-
Actuarial gains recognised in the consolidated statement of comprehensive income	**20.3**	19.1	14.8

14 Debt instruments in issue

	30 June 2011 Unaudited £m	30 June 2010 Unaudited £m	31 December 2010 Audited £m
Carrying value			
Senior, unrated, fixed rate notes due 2012	**144.7**	180.5	179.1
Senior, unrated, fixed rate notes due 2016	**147.8**	-	-
	292.5	180.5	179.1
Non-current	**147.8**	180.5	179.1
Current	**144.7**	-	-
	292.5	180.5	179.1

The debt instruments in issue represent £142.6m of existing senior, unrated, fixed rate notes (2012 Notes) and £150m of new senior, unrated, fixed rate notes listed on the London Stock Exchange at par.

The £142.6m of 2012 Notes are unsecured and repayable in full on 2 May 2012 and bear interest at a fixed rate of 6.5% per annum payable six monthly. On 24 March 2011, the Group extinguished £32.4m of 2012 Notes as part of the issue of the 2016 Notes. The fair value of the 2012 Notes is £147.2m (1H10: £176.5m, FY10: £179.2m).

The Group swapped the fixed interest coupon on the 2012 Notes into a floating rate on issue of the debt. The swap was unwound on 9 December 2008. The fair value adjustment to the debt carrying value, attributable to the hedged interest rate risk up to the date of unwinding the swap, £10.5m, is being amortised over the remaining term of the debt. The portion which related to the extinguished 2012 Notes will be amortised over the remaining term of the 2016 Notes.

On 24 March 2011, the Group issued £150m of 2016 Notes which are unsecured and repayable on 24 March 2016 and bear interest at a fixed rate of 7.25% per annum payable six monthly. The fair value of the 2016 Notes is £155.9m.

On 12 January 2011, the Group entered into a new £200m multi-currency term facility expiring in October 2012 with a syndicate of three banks. On the issue of the 2016 Notes, the multi-currency term facility available was reduced to £52.2m. Since that date, the facility has reduced further to £42.6m. In addition, the Group entered into a £75m revolving credit facility with the same three banks, which expires in April 2014. Neither of these facilities has been drawn.

15 Provisions

	Void properties	Staff related	FSCS interim levy	Other	Total
	£m	£m	£m	£m	£m
At 1 January 2011	16.2	3.9	7.6	25.0	52.7
Additions	6.5	0.4	-	1.7	8.6
Finance charge	0.9	-	-	-	0.9
Provisions utilised	(2.2)	-	(7.6)	(4.3)	(14.1)
At 30 June 2011	**21.4**	**4.3**	**-**	**22.4**	**48.1**
Non-current	**17.3**	**-**	**-**	**7.2**	**24.5**
Current	**4.1**	**4.3**	**-**	**15.2**	**23.6**
At 30 June 2011	**21.4**	**4.3**	**-**	**22.4**	**48.1**

Void properties
The void properties provision reflects the net present value of the excess of lease rentals and other payments on New Star and Gartmore properties with onerous contracts, over the amounts expected to be recovered from subletting these properties. The discounting of expected net cash outflows will be unwound during the term of the underlying leases (maximum of 15 years) as a void property finance charge in the consolidated income statement. The additions in the six months to 30 June 2011 reflect those amounts relating to Gartmore leases.

Staff related
Staff related provisions have been recognised in respect of a business restructure and New Star and Gartmore staff legacy issues.

FSCS interim levy
The FSCS interim levy provision reflects the non-recurring charges recognised in 2010.

Other
Other provisions relate to issues which have arisen as a result of litigation and obligations during the course of the Group’s business activities.

The provisions reflect the current estimates of amounts and timings.

16 Contingent liabilities

The following contingent liabilities existed or may exist at 30 June 2011:

- in the normal course of business, the Group is exposed to certain legal issues, which can involve litigation and arbitration, and may result in contingent liabilities;
- in the normal course of business, the Group enters into foreign exchange contracts for Group hedging purposes and for facilitating foreign currency transactions for its clients. Such contracts can give rise to contingent liabilities;
- on 2 May 2006, the Hong Kong Securities and Futures Commission announced that it had reached a settlement with UKFP (Asia) HK Limited (formerly part of Towry Law International) regarding certain legacy products sold by Towry Law International. Significant payments have subsequently been made to investors in line with accounting provisions made for that purpose. The Directors are of the opinion that the provisions remaining at the reporting date are adequate to cover any future payments;
- under the Towry Law UK sale agreement, normal tax related warranties and indemnities given by the Group expire up to six years from the disposal date of 3 May 2006;
- under the Implementation Agreement dated 6 July 2010 relating to the transfer of management responsibilities to Aviva Investors for the Henderson International Property Fund (Fund), the Group has provided indemnities for certain losses arising from any breach of the Group's responsibilities whilst performing its functions in respect of the Fund and employment warranties for a period of two years after the date of the agreement and tax related warranties for a period of six years after the date of the agreement. These indemnities are subject to certain exclusions and limitations, including a financial cap; and
- under the Facilitation Agreement dated 8 December 2010 relating to the merger of the assets of the HLAF into the Deutsche Managed Sterling Fund, the Group has provided indemnities for certain losses arising from liabilities of HLAF existing prior to the effective date of the merger, certain warranted statements being untrue and any miscalculation of the net asset value of HLAF in the period prior to the effective date of the merger. These indemnities are subject to certain exclusions and limitations, including a financial cap.

As at the approval date of the Interim Condensed Consolidated Statement of Financial Position, the Group neither foresees nor has it been notified of any claims under outstanding warranties and indemnities from the abovementioned agreements.

17 Business combinations

On 4 April 2011, Henderson Group plc completed its acquisition of 100% of the issued share capital of Gartmore Group Limited. The value of total equity consideration for Gartmore was £420.0m, being 242,639,403 new ordinary shares at the closing market price on the London Stock Exchange on the last business day prior to issue. The cost of acquisition amounted to £365.4m after adjusting for Gartmore related employee share awards.

The assets and liabilities of Gartmore at the date of acquisition and subsequent fair value adjustments made by the Group are as follows:

	At date of acquisition £m	Fair value adjustments £m	Fair value of assets and liabilities acquired £m
Goodwill	240.9	(240.9)	-
Investment management contracts	60.7	160.2	220.9
Investments accounted for using the equity method	3.1	-	3.1
Plant and equipment	0.5	-	0.5
Deferred tax assets	7.6	-	7.6
Available-for-sale financial assets	9.4	-	9.4
Trade and other receivables	90.6	-	90.6
Cash and cash equivalents	202.2	-	202.2
Borrowings	(245.4)	-	(245.4)
Retirement benefit obligations	(0.2)	-	(0.2)
Provisions	(1.5)	(0.4)	(1.9)
Deferred tax liabilities	(16.7)	(41.1)	(57.8)
Trade and other payables	(146.1)	-	(146.1)
Current tax liabilities	(6.9)	0.1	(6.8)
Net assets acquired	198.2	(122.1)	76.1
Goodwill			289.3
Own shares			70.0
Fair value of purchase consideration			435.4
Represented by:			
Equity consideration to Gartmore shareholders			350.0
Fair value of share-based payment awards exchanged			15.4
Cost of acquisition			**365.4**
Equity consideration to employee benefit trusts			70.0
			435.4

The business acquired is now integrated within the Group's existing businesses and functions and therefore a separate identification of revenue and results after the acquisition date is impracticable.

The goodwill recognised above is attributable to the expected synergies and other benefits from combining the activities of Gartmore and those of the Group. The intangible assets represent the fair value of investment management contracts acquired, which are being amortised over periods of between four and six years. The trade and other receivables were not impaired at acquisition. The acquisition accounting above is provisional.

18 Movements in controlled entities

As a result of the acquisition of Gartmore, the Group gained control of the following entities during the six months ended 30 June 2011:

Name of entity	Date control gained over entity
Asset Management Holdings	4 April 2011
Damian Securities Limited	4 April 2011
G.I.L. Nominees Limited	4 April 2011
Gartmore Capital Management Limited	4 April 2011
Gartmore Cayman Islands Limited	4 April 2011
Gartmore Delaware, Inc.	4 April 2011
Gartmore Distribution Services, Inc.	4 April 2011
Gartmore Fund Managers Limited	4 April 2011
Gartmore General Partner LLC	4 April 2011
Gartmore Global Partners	4 April 2011
Gartmore Group Limited	4 April 2011
Gartmore Investment Japan Limited	4 April 2011
Gartmore Investment Limited	4 April 2011
Gartmore Investment Management Limited	4 April 2011
Gartmore Investment Services GmbH	4 April 2011
Gartmore Investment Services Limited	4 April 2011
Gartmore JV Limited	4 April 2011
Gartmore Nominees Limited	4 April 2011
Gartmore Pension Trustees Limited	4 April 2011
Gartmore Securities Limited	4 April 2011
Gartmore Services Limited	4 April 2011
Gartmore US Holding Company, Inc.	4 April 2011
Gartmore US Limited	4 April 2011
Oxford Acquisition 0 Limited	4 April 2011
Oxford Acquisition I Limited	4 April 2011
Oxford Acquisition II Limited	4 April 2011
Oxford Acquisition III Limited	4 April 2011
Oxford Acquisition IV Limited	4 April 2011
Oxford Acquisition V Limited	4 April 2011
Oxford Acquisition VI	4 April 2011
Oxford Acquisition VII Limited	4 April 2011
Oxford Acquisition VIII	4 April 2011
Oxford Acquisition IX Limited	4 April 2011
Oxford Acquisition X Limited	4 April 2011
Oxford US Acquisition, LLC	4 April 2011

The Group did not dispose of any entities during the six months ended 30 June 2011.

19 Related parties

Disclosures relating to the Henderson Group Pension Scheme are covered in note 13.

Compensation of key management personnel

	6 months to 30 June 2011 Unaudited £m	6 months to 30 June 2010 Unaudited £m	12 months to 31 December 2010 Audited £m
Short-term employee benefits	**1.6**	1.0	7.0
Post-employment benefits	**0.1**	0.1	0.1
Share-based payments	**4.3**	3.7	4.1
	6.0	4.8	11.2

IAS 24 Related Party Disclosures defines related parties to include key management personnel. Key management personnel of the Group are the Executive Directors and the five highest earning members of senior management.

20 Events after the reporting date

The Board has not, as at 16 August 2011, being the date the financial statements were approved, received any information concerning significant conditions in existence at the balance sheet date, which have not been reflected in the financial statements as presented. However, the Board has given due regard to the events described below which occurred after the reporting date.

On 1 July 2011, the Group sold its shareholding in WorldInvest Management Ltd. The consideration was £0.4m plus a share of future cash flows based on existing assets as at the date of disposal. This results in no gain or loss on disposal.

On 16 August 2011, an interim dividend of 1.95 pence per share was declared by the Board payable on 23 September 2011 to shareholders on the register on 2 September 2011.

Glossary

ASX
Australian Securities Exchange

AUM
Assets under management

Board
The board of directors of Henderson Group plc

bps
Basis points

Company
Henderson Group plc

Compensation ratio
Employee compensation and benefits divided by total income

Completion
The date at which Gartmore was acquired, being 4 April 2011

CPI
Consumer Price Index

Directors
The directors of Henderson Group plc

EPS
Earnings per share

FSA
The UK Financial Services Authority

FSCS
The Financial Services Compensation Scheme

FX
Foreign exchange

Gartmore
Gartmore Group Limited and its controlled entities

Gartmore related employee share awards
Awards to Gartmore employees originally made in 2010 and exchanged into Henderson Group plc shares upon Completion on the same terms as the original awards

Hedge funds
Hedge funds including absolute return funds

Henderson
Controlled entities of Henderson Group plc carrying out core investment management activities

Henderson Group or **Group**
Henderson Group plc and its controlled entities

HLAF
Henderson Liquid Asset Fund

HMRC
HM Revenue & Customs

IAS
International Accounting Standard

IFRS
International Financial Reporting Standard

IRR
Internal rate of return

Management fee margin
Annualised management fees divided by average AUM

Net margin
Annualised underlying profit before tax divided by average AUM

Net tangible assets
Total assets less intangible assets less total liabilities ranking ahead of, or equally with, claims of ordinary shares

New Star
New Star Asset Management Group PLC

NSIM
New Star Institutional Managers Limited

OEIC
Open-ended investment company

Operating margin
Total fee income less operating costs, divided by total fee income

Pension Scheme
The Henderson Group Pension Scheme

Phoenix
Pearl Group Limited and its subsidiaries

RPI
Retail Price Index

SICAV
Société d'investissement à capital variable (collective investment scheme)

Total fee margin
Annualised total fee income divided by average AUM

Towry Law International
The international division (now closed) of Towry Law plc

Towry Law UK
Towry Law plc and its controlled entities, which was sold to JS&P Holdings Limited

UK or **United Kingdom**
United Kingdom of Great Britain and Northern Ireland

Underlying profit
Recurring profit before Gartmore related employee share awards, intangible amortisation and void property finance charge

US
United States of America